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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	
	)	CDDTL LICENSE NOs.: 100-3470; 10DBO-
THE COMMISSIONER OF BUSINESS	)	40983; 10DBO-40984
OVERSIGHT,	)	
	)	SETTLEMENT AGREEMENT
Complainant,	)	
v.	)	
	)	
Gemzo Enterprises, Inc. dba Quicken Cash,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

This Settlement Agreement is entered between Gemzo Enterprises, Inc. dba Quicken Cash (Gemzo), and the Commissioner of Business Oversight, (Commissioner) (collectively, the Parties), and is made with respect to the following facts:

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**RECITALS**

A. The Commissioner of Business Oversight (Commissioner) has jurisdiction over deferred deposit transactions as set forth in the California Deferred Deposit Transaction Law (CDDTL) (Fin. Code, § 23000 et seq.). The Commissioner is authorized to pursue administrative actions and remedies against persons who violate the CDDTL.

B. “Deferred deposit transaction,” as defined by section 23001, subdivision (a), means a transaction whereby a person defers depositing a customer’s personal check until a specific date, pursuant to a written agreement for a fee or other charge.

C. Gemzo Enterprises, Inc. dba Quicken Cash (Gemzo) is, and was at all relevant times herein, a corporation incorporated in California on January 12, 2016. Jawdat A. Ziq is the chief executive officer of Gemzo.

D. Gemzo is licensed by the Commissioner to conduct deferred deposit transactions at the following three locations: 1138 E. 17<sup>th</sup> Street, Santa Ana, California 92701, under the CDDTL license number 100-3470; 914 West Orangethorpe Avenue, Fullerton, California 92832, under the CDDTL license number 10DBO-40983; and 7910 Katella Avenue, Stanton, California 90680, under the CDDTL license number 10DBO-40984.

E. On December 12, 2016, the Commissioner commenced a regulatory examination at Gemzo’s three licensed locations described herein. The regulatory examination disclosed that Gemzo charged customers a fee exceeding \$15.00 on returned checks in at least 61 deferred deposit transactions in violation of Financial Code section 23036(e). Gemzo charged customers excess fees ranging from \$25.00 to \$190.00 for dishonored checks.

F. The regulatory examination further revealed that in at least 24 deferred deposit transactions, Gemzo charged customers a fee exceeding \$15.00 multiple times in violation of Financial Code section 23036(e). The number of times Gemzo repeatedly charged customers a fee exceeding \$15.00 ranged from two to eight times in each deferred deposit transaction.

G. Based on Gemzo’s violations of the CDDTL, on or about August 9, 2017, the Commissioner commenced an administrative action against Gemzo by serving Gemzo, by personal delivery, the following documents: Desist and Refrain Order (Order) issued pursuant to Financial

Code Sections 23050 and 22712; and Citations Pursuant to Financial Code Sections 23058 and 22707.5. (Administrative Action.).

H. On or about August 14, 2017, Gemzo timely submitted a Notice of Defense to the Commissioner requesting a hearing on the Administrative Action.

I. It is the intention and desire of the Parties to resolve this matter without the necessity of a hearing and/or other litigation.

J. The Commissioner finds that this Settlement Agreement is appropriate, in the public interest, and consistent with the purposes fairly intended by the policy and provisions of the CDDTL.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the Parties agree as follows:

### **TERMS AND CONDITIONS**

1. Purpose. This Settlement Agreement is entered into for the purpose of judicial economy and expediency, and to avoid the expense of a hearing and possible further court proceedings.

2. Waiver. Gemzo acknowledges its right to an administrative hearing under the CDDTL in connection with the Administrative Action. Gemzo hereby withdraws its request for a hearing and waives its right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant to the CDDTL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection thereto.

3. Final Order. Gemzo agrees that the Order is hereby deemed a final order. Gemzo hereby waives all rights to any hearing or appeal of the Order.

4. Refunds, Penalties and Ongoing Compliance:

a. Gemzo has submitted evidence of compliance to the Commissioner demonstrating it has issued refunds totaling no less than \$1,907.50 to all California borrowers who were charged amounts in excess of late fees allowed pursuant to Financial Code sections 23036(e) and 23036(f). Further, Gemzo represents the overcharges were because of computer error and that it has taken corrective action by fixing its computer and setting it to default to the correct late fee.

1                   b.       Gemzo shall pay the Commissioner \$3,750.00 as full settlement of the total  
2 Citations included in the Order pursuant to Financial Code sections 23058(a)-(c). The Citations  
3 totaling \$3,750.00 referenced herein shall be due immediately upon execution of this Settlement  
4 Agreement and shall be made payable to the Commissioner in the form of a cashier's check or  
5 Automated Clearing House deposit to the "Department of Business Oversight," and transmitted to:  
6 Accounting – Enforcement Division, Department of Business Oversight, 1515 K Street, Suite 200,  
7 Sacramento, California 95814, contemporaneously with notice of transmittal to Uche Enenwali at  
8 [Uche.Enenwali@dbo.ca.gov](mailto:Uche.Enenwali@dbo.ca.gov).

9                   5.       Full and Final Settlement. The Parties hereby acknowledge and agree that this  
10 Settlement Agreement is intended to constitute a full, final and complete resolution of the Order and  
11 Administrative Action and that no further proceedings or actions will be brought by the  
12 Commissioner in connection with the Order and Administrative Action under the CDDTL or any  
13 other provision of law, excepting therefrom any proceeding or action if such proceeding or action is  
14 based upon facts not presently known to the Commissioner and which were actively concealed from  
15 the Commissioner by Gemzo.

16                  6.       Commissioner's Duties. The parties hereby acknowledge and agree that nothing  
17 contained in this Settlement Agreement shall operate to limit the Commissioner's ability to assist  
18 any other agency, (city, county, state or federal) with any prosecution, administrative, civil or  
19 criminal, brought by any such agency against Gemzo or any other person based upon any of the  
20 activities alleged in the Orders or otherwise.

21                  7.       Future Actions by the Commissioner. The parties agree that entering into this  
22 Settlement Agreement will not automatically result in the suspension or revocation of any license(s)  
23 held by, and/or deny any pending or future application(s) of Gemzo, its successors and assigns but  
24 may be considered as a factor in determining the approval of any future application in accordance  
25 with the provisions of the CDDTL.

26                  8.       Failure to Comply with the Terms of the Settlement Agreement: In the event Gemzo  
27 fails to comply with any of the terms of this Settlement Agreement, Gemzo agrees that this  
28 Settlement Agreement may be converted immediately to an enforceable civil judgment for the

1 entire Citation amount of \$7,500.00 cited in the Administration Action. Gemzo further agrees that  
2 such civil judgment may be entered by the court ex parte without further notice or hearing to  
3 Gemzo. Gemzo agrees that a breach of this Settlement Agreement shall be cause for the  
4 Commissioner to immediately revoke any license (s) held by, and/or deny any pending  
5 application(s) of Gemzo, its successors and assigns, by whatever names they might be known.  
6 Gemzo hereby waives any notice and hearing rights to contest such revocations and/or denial(s)  
7 which may be afforded under the CDDTL, the California Administrative Procedure Act, the  
8 California Code of Civil Procedure, or any other provision of law in connection therewith

9 9. Independent Legal Advice. Each of the parties represents, warrants, and agrees that  
10 it has received independent advice from its attorney(s) and/or representatives with respect to the  
11 advisability of executing this Settlement Agreement.

12 10. Full Integration. Each of the parties represents, warrants, and agrees that in  
13 executing this Settlement Agreement it has relied solely on the statements set forth herein and the  
14 advice of its own counsel and/or representative. Each of the parties further represents, warrants,  
15 and agrees that in executing this Settlement Agreement it has placed no reliance on any statement,  
16 representation, or promise of any other party, or any other person or entity not expressly set forth  
17 herein, or upon the failure of any party or any other person or entity to make any statement,  
18 representation or disclosure of anything whatsoever. The parties have included this clause: (1) to  
19 preclude any claim that any party was in any way fraudulently induced to execute this Settlement  
20 Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or  
21 contradict the terms of this Settlement Agreement.

22 11. Final Agreement. This Settlement Agreement is the final written expression and the  
23 complete and exclusive statement of all the agreements, conditions, promises, representations, and  
24 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or  
25 contemporaneous agreements, negotiations, representations, understandings, and discussions  
26 between and among the parties, their respective representatives, and any other person or entity, with  
27 respect to the subject matter covered hereby.  
28

1           12.    Binding. This Settlement Agreement is binding on all heirs, assigns and/or  
2 successors in interest.

3           13.    Third Party Actions. This Settlement Agreement does not create any private rights  
4 or remedies against Gemzo, create any liability for Gemzo, or limit defenses of Gemzo for any  
5 person or entity not a party to this Settlement Agreement.

6           14.    Presumption from Drafting. In that the parties have had the opportunity to draft,  
7 review and edit the language of this Settlement Agreement, no presumption for or against any party  
8 arising out of drafting all or any part of this Settlement Agreement will be applied in any action  
9 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive  
10 the benefit of California Civil Code section 1654 and any successor or amended statute, providing  
11 that in cases of uncertainty, language of a contract should be interpreted most strongly against the  
12 party who caused the uncertainty to exist.

13           15.    Voluntary Agreement. Gemzo enters into this Settlement Agreement voluntarily and  
14 without coercion and acknowledges that no promises, threats or assurances have been made by the  
15 Commissioner or any officer, or agent thereof, about this Settlement Agreement.

16           16.    Waiver, Modification, and Qualified Integration. The waiver of any provision of this  
17 Settlement Agreement shall not operate to waive any other provision set forth herein, and any  
18 waiver, amendment and/or modification to the terms of this Settlement Agreement must be in  
19 writing and signed by the parties.

20           17.    Headings and Governing Law. The headings to the paragraphs of this Settlement  
21 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the  
22 construction or interpretation of the provisions hereof. This Settlement Agreement shall be  
23 construed and enforced in accordance with and governed by California law.

24           18.    Effective Date. This Settlement Agreement shall become effective on March \_\_\_\_,  
25 2018.

26           19.    Counterparts. The parties agree that this Settlement Agreement may be executed in  
27 one or more separate counterparts, each of which when so executed, shall be deemed an original.  
28 Such counterparts shall together constitute and be one and the same instrument.

1           20.    Public Record. Gemzo acknowledges that this Settlement Agreement is a public  
2 record.

3           21.    Authority to Execute. Each signatory hereto covenants that he/she possesses all  
4 necessary capacity and authority to sign and enter into this Settlement Agreement.

5  
6 Dated: 3/9/18

JAN LYNN OWEN  
Commissioner of Business Oversight

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8  
9 By \_\_\_\_\_  
10 MARY ANN SMITH  
11 Deputy Commissioner  
12 Enforcement Division

13 Gemzo Loans, Inc. dba  
14 Quicken Loans

15  
16 Dated: 3/8/18

17 By \_\_\_\_\_  
18 JAWDAT A. ZIQ,  
19 Chief Executive Officer